

## **STATE PROPERTIES COMMITTEE MEETING**

**TUESDAY, NOVEMBER 23, 2010**

The meeting of the State Properties Committee was called to order at 10:04 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member; Michael Sligar representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Meredith Pickering from the Rhode Island Senate Fiscal Office; Christine Brien from the Rhode Island Department of Transportation; Lisa Primiano and Mary E. Kay from the Rhode Island Department of Environmental Management; Christine Botts from the Rhode Island Department of Behavioral Health, Developmental Disabilities and Hospitals; Linda Ward from Opportunities Unlimited; and Barbara Sokoloff from Barbara Sokoloff and Associates.

Chairman Flynn stated for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the minutes from the State Properties Committee meeting held on Tuesday, November 9, 2010, as amended, by Mr. Griffith and seconded by Mr. Woolley.

**Passed Unanimously**

Mr. Griffith noted that the Committee neglected to seal the Executive Session Minutes from the meeting of November 9, 2010, and asked

that he be allowed to make a motion at this time to seal said minutes. With no objection from the Committee, Mr. Griffith moved to seal the Executive Session Minutes from the meeting of November 9, 2010, until such time as the matters can be resolved. Said motion was seconded by Mr. Kay.

**Passed Unanimously**

**ITEM A – Department of Behavioral Healthcare, Developmental Disabilities and Hospitals – A request was made for approval of and signatures on a Purchase and Sale Agreement by and between the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (“BHDDH”) and Kenyon Terrace Apartments, Inc. for the sale of a parcel of land and dwelling located at 327 Kenyon Avenue in the Town of South Kingstown. Chairman Flynn noted that the issue, which arose during the previous presentation of this matter on November 9, 2010, by both himself and Mr. Woolley was that it would be prudent to include language in both the Purchase and Sale Agreement and the Quit Claim Deed stipulating that this facility must continue to be used for the benefit of disabled individuals and, in the event, the facility ceases to be used for this purpose, for any reason, title of the property would automatically revert back to the State of Rhode Island. Chairman Flynn asked if Mr. Woolley has had an opportunity to review said language in both the Purchase and Sale Agreement and the Quit Claim Deed. Mr. Woolley indicated that he has reviewed the language contained in both reverter clauses and is satisfied with the same. A motion to approve was made by Mr.**

**Woolley and seconded by Mr. Griffith.**

**Passed Unanimously**

**ITEM B – Department of Transportation – A request was made for approval of and signatures on a License Agreement by and between the Department of Transportation and Abhe and Svoboda, Inc. for use of approximately 14, 800 square feet of State-owned land in connection with the repair and maintenance of the Claiborne Pell Bridge in the City of Newport. Ms. Brien explained that the contractor, Abhe and Svoboda, Inc., was awarded the contract to repair and maintain the Pell Bridge and has approached the Department with a request to enter into a License Agreement for a term of two (2) years to utilize State-owned property. Said property is paved and located under approach roads on the City of Newport side of the Bridge. Ms. Brien indicated that Abhe and Svoboda, Inc. wishes to utilize the area for the storage of equipment, to set up changing trailers, paint storage facilities, and the like. Ms. Brien stated that after bringing this request before the Department's Land Sales Committee, the Department imposed certain caveats prior to granting its approval of the subject License Agreement. Ms. Brien indicated that all caveats have been included in the final form of License Agreement. The Department required that Abhe and Svoboda, Inc. conduct a surficial soil assessment of the subject property, which has in fact been completed. Ms. Brien explained that at the conclusion of the project, the Licensee will conduct a second soil assessment to ensure that the soil levels are identical to those present at the commencement of the License Agreement. If chemical**

elevations are discovered after the second assessment, Abhe and Svoboda, Inc. will be solely responsible for the remediation of the soil to its previous condition as well as any and all associated costs. Further, Ms Brien noted that the Licensee must maintain a minimum distance of ten (10) feet from the face of all abutments and piers located on the subject property throughout the project. Finally, Ms. Brien stated that the Division of Maintenance expressed a desire to have access to a small tank located approximately a half mile from the subject property which was granted. Ms. Brien stated that all concerns have been addressed to ensure that this is a safe and successful project. Chairman Flynn asked if the Department is charging a fee for the use of the property. Ms. Brien indicated that based upon an appraisal, a fee of \$500.00, per month, has been assessed for use of the property. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith Said motion passed three (3) votes "Aye" to one (1) vote "Nay."

Three (3) Votes "Aye"

Mr. Woolley

Mr. Griffith

Chairman Flynn

One (1) vote "Nay"

Mr. Kay

**ITEM C – Department of Environmental Management – A request for approval to change the process by which automatic renewals of lease holdings in the Port of Galilee, Town of Narragansett are currently approved. Item C is referred to a future meeting of the State Properties Committee at the request of the Department of Environmental Management.**

**ITEM D – Department of Environmental Management – A request was made for approval of a Purchase and Sale Contract with Christopher J. Montalbano, duly appointed Commissioner in the matter of Emerson et als Providence Superior Court PC 06-2012, and the Department of Environmental Management and the Town of Cumberland for the acquisition of approximately two hundred thirty (230) acres of land located along Tower Hill Road in the Town of Cumberland. Ms. Kay explained that the subject property abuts the Diamond Hill Reservation, which is under the control of both the Town of Cumberland and the State of Rhode Island. Ms. Kay stated that this acquisition will result in the connection of over eight hundred (800) contiguous acres of land. Ms. Kay noted that the property has existing hiking trails, but will be further enhanced with additional hiking trails and a parking area, which will make access into the property much easier. The property will be jointly managed by the Town of Cumberland and the State of Rhode Island. At the closing of the property, one hundred ten (110) acres of the subject property will be conveyed to the State and the Town will acquire title to ninety-two (92) acres. Ms. Kay indicated subsequent to the closing, 7.5 acres of land and a historic dwelling will be transferred to**

**Emerson Family heirs by the State of Rhode Island via an Assignment and Assumption of Right to Purchase. The Town of Cumberland will transfer approximately twenty (20) acres of land, which includes another dwelling to the Emerson heirs. The above-referenced property and dwellings will be transferred as part of this transaction with rigid restrictions. Ms. Kay reiterated that there is one (1) existing historic building on the portion of the property being conveyed by the State. The Deed to said property will include a restriction prohibiting the construction of any additional dwellings on said property, but will allow construction related to the refurbishing of the existing dwelling.**

**Ms. Kay indicated that this acquisition is being funded by a combination of sources: The State of Rhode Island is contributing \$210,000 from Open Space Bond Funds; The Nature Conservancy, through a grant from the Champlin Foundation, is contributing \$250,000; through the use of Open Space Bond Funds, the Town of Cumberland's contribution totals \$200,000; and the Pawtucket Water Supply Board will contribute \$50,000. Ms Kay explained that litigation ensued relative to the subject property due to the inability of the various heirs to decide how the property should be sold. A Commissioner was appointed to sell the property. Ms. Kay indicated that both the State of Rhode Island and the Town of Cumberland have been interested in preserving said property as open space for many years and together were able to assemble an offer. This offer was communicated to the Commissioner, and subsequently to Judge Lamphere, who issued a favorable decision approving the State and Town's offer. The appropriate Purchase and Sale Contract has been**

prepared and the Department respectfully requests the Committee's approval of the same. Mr. Kay asked the proximity between the two existing dwellings located on the property. Ms. Primiano presented a map to illustrate the locations of both dwellings and indicated which portions of the remaining property would be owned by the State as well as the location of the Town's portion of the land. Ms. Kay explained that as the State will be utilizing an Assumption and Assignment of Rights to Purchase, it will neither actually be selling the land and historic dwelling, nor will the State be part of the chain of title. Ms. Kay noted that this would be clarified by the presentation of the next item. A motion to approve was made by Mr. Woolley and seconded by Mr. Kay.

**Passed Unanimously**

**ITEM E – Department of Environmental Management – A request was made for approval of and signatures on an Assignment and Assumption of Right to Purchase approximately 7.5 acres of land and a building located at 161 Tower Hill Road in the Town of Cumberland by and between the Department of Environmental Management and Thomas F. and Diane K. Emerson. Ms. Kay explained that this document is a component of the above-referenced transaction involving the property located on Tower Hill Road and is part of the same court order. Ms. Kay explained that the subject property is a 7.5 acre parcel of land, which includes a historic farmhouse, which is in dire need of restoration. Ms. Kay stated that as the Committee is aware, the State, absent a critical need, is refraining from purchasing buildings and obviously does not have the resources necessary to**

embark on a restoration project of the magnitude this historic dwelling requires. Ms. Kay stated that some of the heirs of the Emerson Family wish to purchase the land on which this historic farmhouse is situated in order to preserve their family home. Ms. Kay explained that as there are some environmental issues associated with the property. The State will be assigning its rights to purchase directly to the Emerson Family and; therefore, avoid being made a part of the chain of title. Ms. Kay stated that at the closing, which will transfer the State its portion of the aforementioned property, the 7.5 acres of land and historic farmhouse will be conveyed to the Emerson heirs via the Assignment and Assumption of Rights to Purchase. Ms. Primiano noted that when the State was considering selling the 7.5 acre parcel of land together with the historic dwelling, the Department commissioned an appraisal of both the property and the farmhouse. Prior appraisers had great difficulty determining the investment necessary to make the existing dwelling habitable. Ms. Primiano stated that some of the major issues are the replacement of felled chimneys and repairs to and proper restoration of the floors, which presently have gaping holes in them. Ms. Primiano stated that when she spoke to the Commissioner of the Historic District Commission in the Town of Cumberland, she was assured demolition of the historic farmhouse was not an option. Subsequently, Ms. Primiano commissioned Thomas Andolfo to conduct an appraisal of the property; however, she specifically asked that he engage an expert specializing in historic home restoration in order to determine the cost to cure. Ms. Primiano indicated that the house is inhabited at



this time; although, it does not appear to meet any code whatsoever. Therefore, for the reasons stated above, in addition to the environmental issues associated with the property, the Department has no desire to become involved in the chain of title. Ms. Primiano stated that said appraisal, after making a deduction of \$150,000, representing the cost to cure, valued said property as \$46,000. Ms. Primiano stated that although the appraised value is seemingly very low, she explained that the Department only increased its offer by \$50,000 for the inclusion of the farmhouse; therefore, it was determined that the farmhouse would be sold for a purchase price of \$50,000 to offset the Department's increased contribution to ensure the house was included. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

**Passed Unanimously**

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:25 a.m. The motion to adjourn was made by Mr. Griffith and seconded by Mr. Woolley. **Passed Unanimously**

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**Holly H. Rhodes, Executive Secretary**